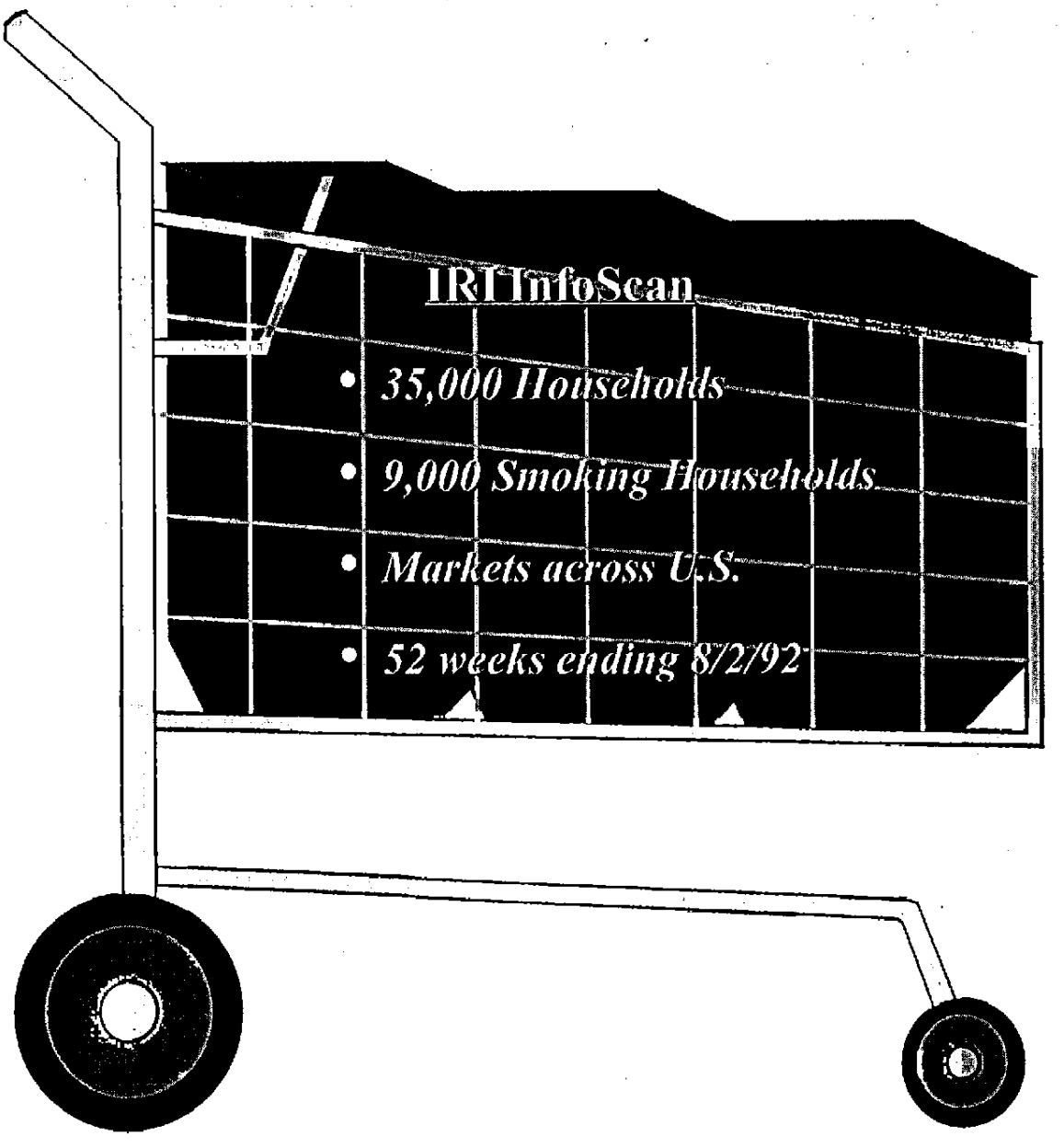
Shopping Basket Analysis

Supermarkets

Supermarkets



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Source: https://www.industrydocuments.ucsf.edu/docs/tqly0000

A Shopping Basket Analysis

- *How important are cigarette sales to supermarkets ?*
- *How many $'s do smokers spend during buying trips ?*
- *Are other sales lost when smokers purchase cigarettes elsewhere ?*
- *Do increased cigarette sales mean increased shopping basket purchases ?*
- *Do the brands consumers smoke have any relationship on $'s spent ?*

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Source: https://www.industrydocuments.ucsf.edu/docs/tqly0000

Consumers Spend More When Buying Cigarettes

- **Smokers spend 70% more on shopping trips when buying cigarettes.**
  - ***RJR smokers spend 87% MORE***
  - ***PM smokers spend 60% MORE***
- **Smokers purchase cigarettes 28.2% of their shopping trips.**
  - ***RJR smokers: 27.7%***
  - ***PM smokers: 18.5%***
- **The average shopping basket of RJR smokers when they purchase cigarettes is 11% higher than PM and 12% higher than the industry as a whole.**
- **Overall, smokers spend 13% more than non-smokers per shopping trip.**

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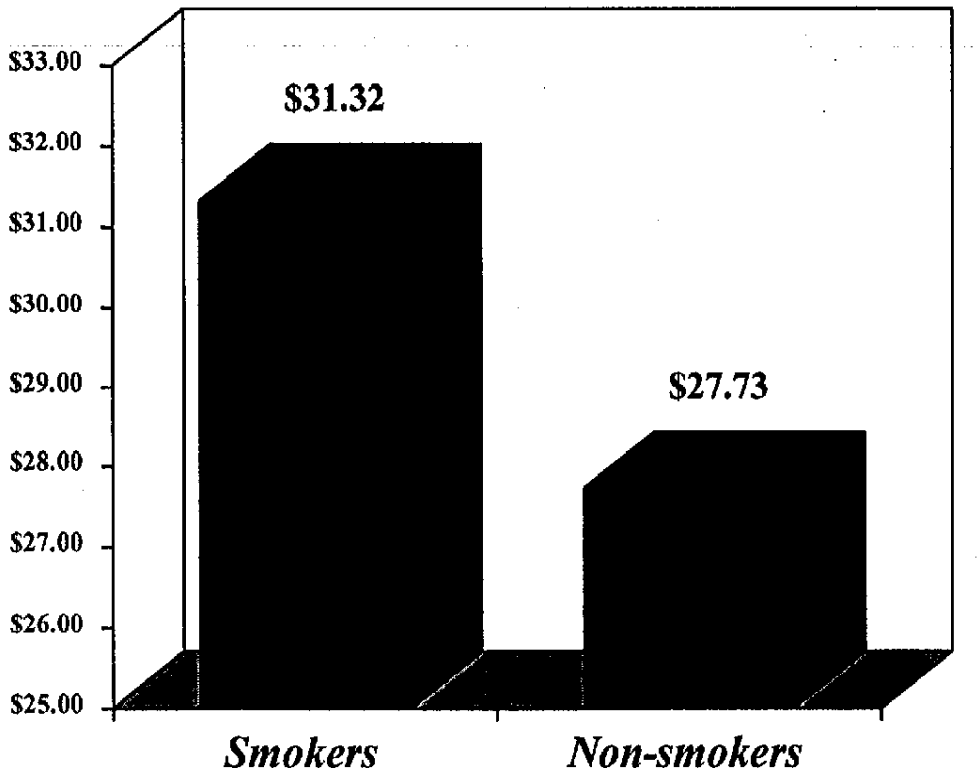
Source: https://www.industrydocuments.ucsf.edu/docs/tqly0000

Smokers Spend More $'s Than Non-Smokers



- **Smokers spend 13% more in supermarkets than non-smokers on an average buying trip.**

Note: Includes all trips, whether cigarettes purchased or not

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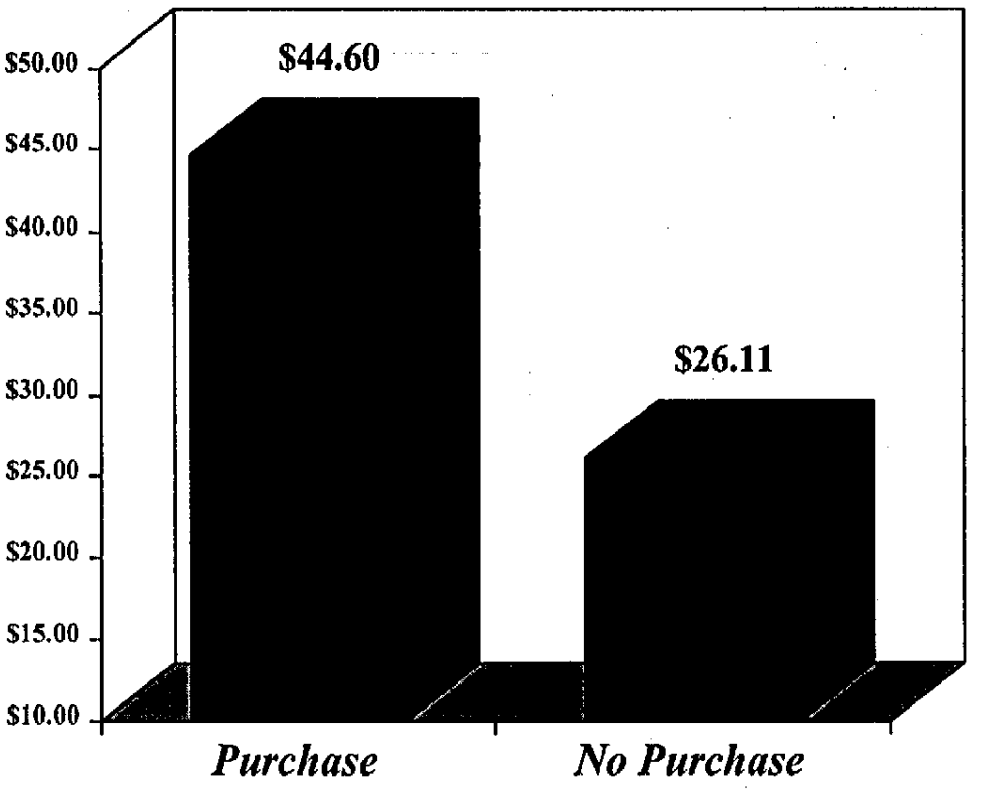
Source: https://www.industrydocuments.ucsf.edu/docs/tqly0000

Cigarettes Contribute Increased $'s



- Smokers spend 70% more when they purchase cigarettes

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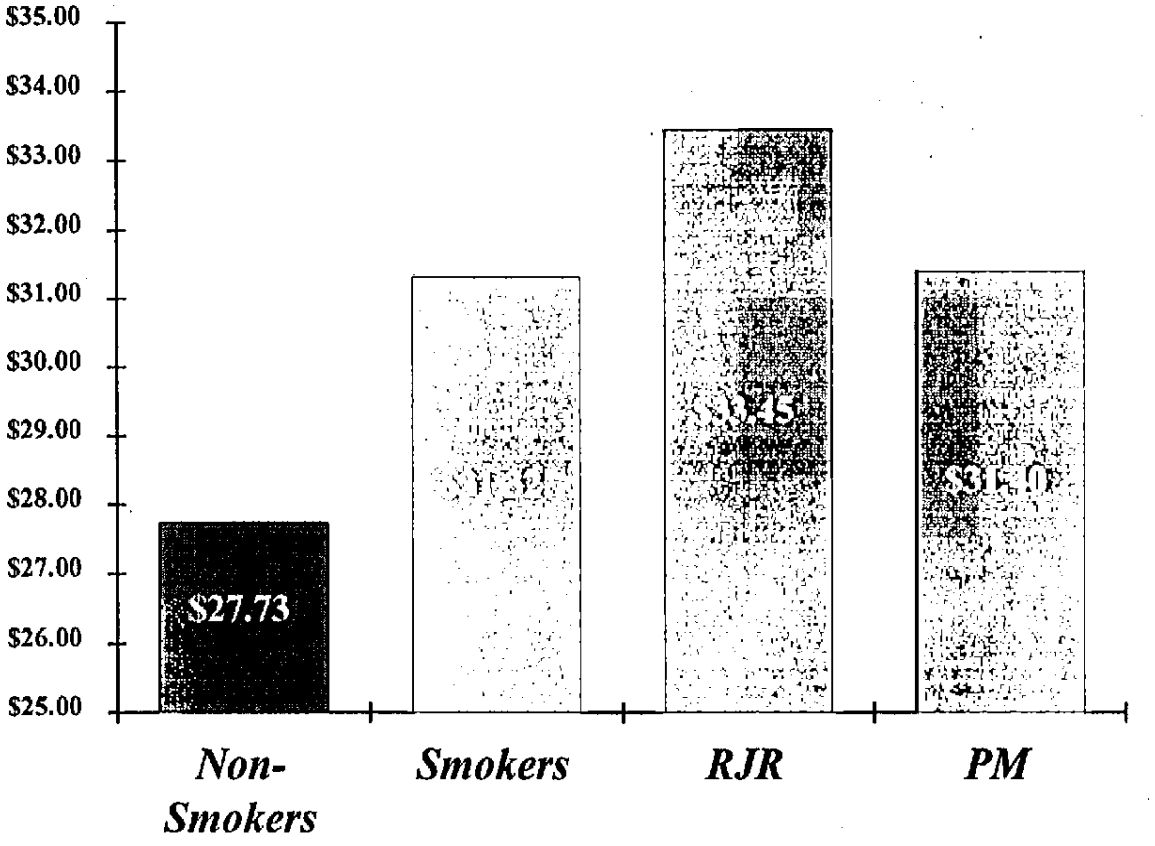
Source: https://www.industrydocuments.ucsf.edu/docs/tqly0000

RJR Smokers Spend Additional $'s



- 20% more than non-smokers
- 7% more than PM and the industry as a whole

Note: Includes all trips, whether cigarettes purchased or not

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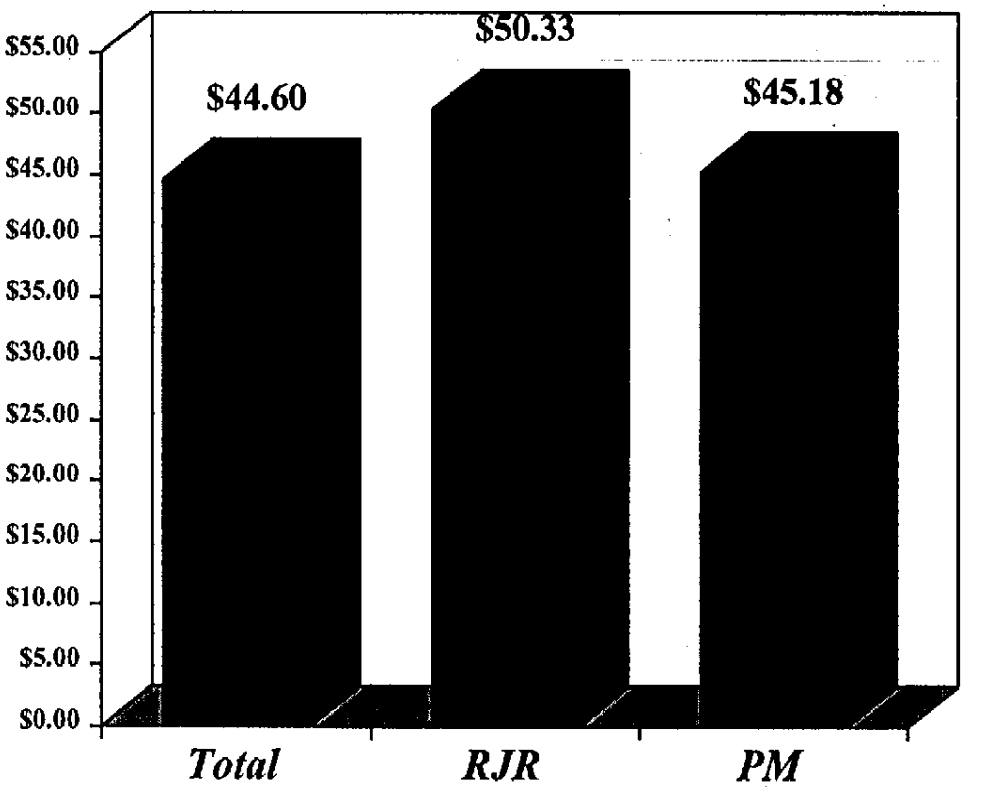
Source: https://www.industrydocuments.ucsf.edu/docs/tqly0000

RJR Smokers Contribute Additional Dollars



- **RJR smokers spend 11% more than PM smokers when cigarettes are purchased.**

- **RJR smokers spend 12% more than the industry as a whole when cigarettes are purchased.**

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Source: https://www.industrydocuments.ucsf.edu/docs/tqly0000

Shopping Basket Conclusions

- **Cigarettes are a primary source of additional revenue.**
- **Proper presence, promotion, distribution, and pricing can significantly increase sales.**
- **The fact that smokers purchase cigarettes only slightly over 25% of the shopping trips presents an opportunity to:**
  - ***Attract those consumers who are cross shopping at other outlets***
    - » **Emphasis should be placed on Full Price pack sales and promotions**
  - ***Insure existing customers are purchasing their cigarettes at your store to increase overall shopping basket sales***
- **Lost sales of cigarettes results in lost sales of other products and lost profitability beyond that of the cigarette category alone.**

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Source: https://www.industrydocuments.ucsf.edu/docs/tqly0000